



# Report

Report to:	<b>Executive Committee</b>
Date of Meeting:	<b>25 March 2020</b>
Report by:	<b>Executive Director (Finance and Corporate Resources)</b>

Subject:	<b>Capital Budget 2019/2020 and Monitoring for Period 11 - 1 April 2019 to 31 January 2020</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ update the Executive Committee of progress on the General Fund Capital Programme and the Housing Capital Programme for the period 1 April 2019 to 31 January 2020 (Period 11).

## 2. Recommendation(s)

2.1. The Executive Committee is asked to approve the following recommendations:

- (1) that the Period 11 position (ended 31 January 2020) of the General Fund Capital Programme itemised at Appendices 1 - 3 and the Housing Capital Programme at Appendix 4, be noted; and
- (2) that the projected outturn of £66.5 million be noted; and
- (3) that the revised programmes continue to be monitored by the Financial Resources Scrutiny Forum.

## 3. Background

3.1. The attached statements to this report provide a summarised monitoring position as at 31 January 2020. Spending has been split into two separate sections:

- ◆ General Fund Capital Programme including Education, Social Work, Roads and Transportation and General Services (Section 5.1)
- ◆ Housing Capital Programme (Section 5.2)

## 4. Employee Implications

None

## 5. Financial Implications

### 5.1. General Fund

#### 5.1.1. 2019/20 Budget

The budget agreed at Executive Committee on 26 February 2020 was £76.804 million, as shown in Appendix 1. There are no new adjustments proposed in this report.

#### 5.1.2. 2019/20 Outturn

The predicted spend position for this financial year, advised by Housing and Technical Resources Property Services, is an outturn of £66.5m. This is an underspend of £10.3m and relates mainly to projects within Education Resources (£4.8m) Social Work Resources (£2.0m), Housing and Technical Resources (£1.4m) and Community and Enterprise Resources (£1.9m).

5.1.3. As reported to this Committee previously, the majority of the variance are due to the timing of spend, resulting in budget required in 2020/2021 rather than 2019/2020.

5.1.4. A list of the main projects which will now complete in 2020/2021 is included in Appendix 3, along with their anticipated completion dates.

5.1.5. The outturn has moved by £1.4 million from the underspend of £8.9 million reported at period 10. The decrease in outturn mainly reflects revised project timescales on a number of new projects identified this period, and movement in the projects already identified in Appendix 3.

5.1.6 The new projects include: Electric Vehicle Charging (£0.4m), Computer Room Upgrades (£0.1m) and the works at Civic Centre, East Kilbride (£0.1m). Existing Appendix 3 project movements include Early Years (£0.2m) and Care Facilities (£0.2m). The balance of movement (£0.4m) is made up of smaller movements over a number of projects including Highstonehall Road (reduced overspend of £0.2m) and SPT funded spend on bus shelters (£0.1m) where we have been advised that SPT will now carry out the work.

#### 5.1.7. 2019/2020 Funding

Town Centre Regeneration Fund: As advised to this Committee previously (4 December 2019), work is ongoing to ensure projects funded from the Town Centre Regeneration Fund are committed by 31 March 2020 and fully complete and spent by 30 September 2020. The Scottish Government have now advised that the committed deadlines have been extended for all projects by one year to 31 March 2021 and 30 September 2021 respectively.

#### 5.1.8. Period 11 Position

The programme spend and funding for the General Fund is summarised in Appendix 2. As noted in 5.1.1., the total capital spending programme for the year is £76.804 million.

5.1.9. Budget for the period is £46.756m and spend to the 31 January 2020 is £44.449m. This represents expenditure of £2.307m behind profile and mainly reflects the timing of spend across a number of projects within Housing and Technical Resources (£0.640m), Finance and Corporate Resources (£0.481m) and the Blantyre Care Facility within Social Work Resources (£1.142m).

5.1.10. For Housing and Technical Resources and Social Work Resources this is reflected in the outturn position identified at 5.1.2. above. For Finance and Corporate Resources, it is anticipated that full spend will be achieved by the end of the financial year, with the exception of the Computer Room Upgrades project. This is also reflected in the outturn position identified at 5.1.2. above.

#### 5.1.11 Period 11 Funding

Actual funding received to 31 January 2020 is £61.522 million.

## **5.2. Housing Programme**

### **5.2.1. 2019/20 Budget**

Appendix 4 summarises the position on the Housing programme as at 31 January 2020. The capital programme for the year is £61.835 million. Programmed funding for the year also totals £61.835 million.

### **5.2.2. 2019/20 Outturn**

In terms of the Housing Capital Programme, current estimates from Housing and Technical Resources suggest an outturn of £58.471 million. This is an underspend of £3.4 million and relates to the timing of spend, resulting in budget required in 2020/2021 rather than in 2019/2020.

### **5.2.3. Period 11 Position**

Budget for the period is £37.726 million and spend to 31 January 2020 amounts to £35.367 million. This represents expenditure of £2.359 million behind profile. This is in line with the outturn reported at section 5.2.2.

5.2.4. As at 31 January 2020, £35.367 million of funding had been received.

5.2.5. Regular monitoring of both the General Fund and Housing Capital Programmes will be carried out in detail by the Financial Resources Scrutiny Forum and reported on a regular basis to the Executive Committee.

## **6. Climate Change, Sustainability and Environmental Implications**

6.1. There are no implications for climate change, sustainability or the environment in terms of the information contained in this report.

## **7. Other Implications**

7.1. The main risk associated with the Council's Capital Programme is an overspend. The risk has been assessed as low given the detailed project management plans prepared and monitored for each project. The risk of overspend is managed through four weekly Investment management meetings.

## **8. Equality Impact Assessment and Consultation Arrangements**

8.1. This report does not introduce a new policy, function or strategy or recommend a change to existing policy, function or strategy and therefore no impact assessment is required.

8.2. There was also no requirement to undertake any consultation in terms of the information contained in this report.

**Paul Manning**

**Executive Director (Finance and Corporate Resources)**

4 March 2020

### **Link(s) to Council Values/Ambitions/Objectives**

- Accountable, Effective, Efficient and Transparent

### **Previous References**

- Executive Committee, 26 February 2020

## **List of Background Papers**

Capital Ledger prints to 31 January 2020

## **Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact:-

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SOUTH LANARKSHIRE COUNCIL  
CAPITAL EXPENDITURE 2019/20  
GENERAL FUND PROGRAMME  
FOR PERIOD 1 APRIL 2019 TO 31 JANUARY 2020

APPENDIX 1

£m

**Total Revised Budget – Period 10** **76.804**

Proposed Adjustments – Period 11 -

**Total Revised Budget** **76.804**

	<b><u>2019/20</u></b> <b><u>Budget</u></b> <b><u>(from</u></b> <b><u>Period</u></b> <b><u>10)</u></b>	<b><u>Period 11</u></b> <b><u>Proposed</u></b> <b><u>Adjustments</u></b>	<b><u>Revised</u></b> <b><u>2019/20</u></b> <b><u>Budget</u></b>
<b><u>Resource</u></b>	<b><u>£m</u></b>	<b><u>£m</u></b>	<b><u>£m</u></b>
Community & Enterprise	40.538	0.000	40.538
Education	25.234	0.000	25.234
Finance & Corporate	0.993	0.000	0.993
Housing & Technical	7.310	0.000	7.310
Social Work	2.729	0.000	2.729
<b>Total</b>	<b>76.804</b>	<b>0.000</b>	<b>76.804</b>

SOUTH LANARKSHIRE COUNCIL  
CAPITAL EXPENDITURE 2019/20  
GENERAL FUND PROGRAMME  
FOR PERIOD 1 APRIL 2019 TO 31 JANUARY 2020

APPENDIX 2

	<u>2019/20</u> <u>Original</u> <u>Estimate</u> <u>inc C/F</u> £m	<u>2019/20</u> <u>Revised</u> <u>Budget</u> £m	<u>2019/20</u> <u>Budget to</u> <u>31/01/20</u> £m	<u>2019/20</u> <u>Actual to</u> <u>31/01/20</u> £m
<b>Expenditure</b>				
<b>General Fund Programme</b>	78.429	76.804	46.756	44.449
<b>Income</b>				
	<u>2019/20</u> <u>Original</u> <u>Budget</u> £m	<u>2019/20</u> <u>Revised</u> <u>Budget</u> £m		<u>2019/20</u> <u>Actual</u> <u>To</u> <u>31/01/20</u> £m
Prudential Borrowing	23.863	21.102		21.102
Developers Contributions	3.124	2.278		0.980
Lottery	0.000	0.465		0.000
Partners (Including SPT, High Blantyre Construction Ltd, Transport Scotland and Renewable Energy Fund)	1.331	3.982		0.918
Scottish Government:				
- Capital Grant	33.029	33.029		27.524
- Cycling, Walking and Safer Streets	0.520	0.520		0.000
- Vacant and Derelict Land	2.023	1.570		1.570
- Early Years 1,140 Hours	5.344	5.344		5.344
- Regeneration Capital Grant	1.100	0.390		0.390
-Town Centre Regeneration Fund	2.506	0.480		0.480
Glasgow City Region City Deal	1.940	4.430		0.000
Specific Reserves	2.149	2.914		2.914
Capital Receipts	1.500	0.300		0.300
<b>TOTAL FUNDING</b>	<b>78.429</b>	<b>76.804</b>		<b>61.522</b>

<b>Projects with Underspends in 2019/20</b>		
<b>Project Name</b>	<b>Project Type</b>	<b>Completion Date</b>
Extension of Cemeteries and Landworks	Land Purchase	Will be progressed in 2020/21
Electric Vehicle Charging (new P11)	Infrastructure	June 2020
Horsley Brae	Roads	Will be progressed in 2020/21
Lanark Park and Ride	Land Purchase	Will be progressed in 2020/21
St Charles' Primary School Extension	Extension	August 2020
Mobile Teaching Units	Modular Units	July 2020
Education Information Communication Technology	ICT	October 2020
Auchingrammont Road	Demolition / New Build	June 2020 / Jan 2021
Early Years 1,140 Hours programme	Various	Mainly August 2020
Computer Room Upgrade (new P11)	Infrastructure/ Refurbishment	April 2020
Civic Centre, East Kilbride (new P11 )	Refurbishment	Will be progressed in 2020/21
Essential Services Accommodation	Refurbishment	Throughout 2020/21
Prioritised Urgent Investment	Refurbishment	Throughout 2020/21
Central Energy Efficiency Fund	Equipment	Throughout 2020/21
Springhall Regeneration Project (H&T)	Refurbishment	Main project to upgrade Springhall Hall will complete in 2019/2020. Works to existing library will take place in 2020/2021.
Blantyre Care Facility	New Build	Estimate March 2021 – being reviewed following planning approval

SOUTH LANARKSHIRE COUNCIL  
CAPITAL EXPENDITURE 2019/2020  
HOUSING PROGRAMME  
FOR PERIOD 1 APRIL 2019 TO 31 JANUARY 2020

**APPENDIX 4**

	<u>2019/20</u> <u>Annual</u> <u>Budget</u> <u>£m</u>	<u>2019/20</u> <u>Budget to</u> <u>31/01/20</u> <u>£m</u>	<u>2019/20</u> <u>Actual to</u> <u>31/01/20</u> <u>£m</u>
<b>EXPENDITURE</b>			
2019/20 Budget incl carry forward from 2018/19	61.835	37.726	35.367
	<u>2019/20</u> <u>Annual</u> <u>Budget</u> <u>£m</u>		<u>2019/20</u> <u>Actual to</u> <u>31/01/20</u> <u>£m</u>
<b>INCOME</b>			
Capital Receipts – Land Sales	0.000		0.027
Capital Funded from Current Revenue	20.589		20.589
Prudential Borrowing	28.715		7.833
Scottish Government Specific Grant			
- New Build	10.611		5.096
- Open Market Purchase Scheme	1.800		1.495
- Mortgage to Rent	0.120		0.327
<b>TOTAL FUNDING</b>	<b>61.835</b>		<b>35.367</b>